



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE: **C-1**

July 18, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TERMINATE CONTRACT
CASH CONTRACT 6541
BIG TUJUNGA CANYON ROAD OVER
BIG TUJUNGA CANYON AND TRAIL CREEK
SUPERVISORIAL DISTRICT 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Terminate Cash Contract 6541, Big Tujunga Canyon Road Over Big Tujunga Canyon and Trail Creek, in the Angeles National Forest (5), with Vahdani Construction Co., Inc., 1105 South Towne Avenue, Los Angeles, California 90021, in the amount of \$1,406,268.95, for the seismic retrofitting of two bridges, and request that CNA Surety sign a takeover agreement and complete the work of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 30, 2000, your Board awarded this contract to Vahdani for the seismic retrofitting of the Big Tujunga Road bridges over Big Tujunga Canyon and the repainting of the Big Tujunga Canyon Road bridge over Trail Creek. Payment and performance bonds were furnished by CNA for 100 percent of the contract amount.

On September 11, 2000, Vahdani started construction on the project and performed well and in accordance with the contract terms. However, on September 27, 2001, CNA demanded that we not make payments or release additional funds to Vahdani without CNA's written consent. Since then, and as instructed by County Counsel, we have withheld all progress payments owed to Vahdani and informed CNA of the amounts withheld.

The project specifications required Vahdani to complete the project by December 11, 2001. On October 10, 2001, Vahdani stopped work and demobilized with the project approximately 98 percent complete. While the structural integrity of the bridges is not in jeopardy and the traveling public is not being impacted, the contract work has not been completed.

On January 8, 2002, your Board declared Vahdani in default of their contract and authorized Public Works to execute a takeover agreement with CNA. However, CNA will not sign a takeover agreement unless Vahdani's contract is terminated. Therefore, we recommend that your Board terminate Vahdani's contract and request that CNA sign a takeover agreement to complete the project in accordance with the plans and specifications.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility since it will provide for completion of the work at no additional cost to Public Works except for minimal administrative expenses.

FISCAL IMPACT/FINANCING

There will be no fiscal impact if the surety assumes responsibility for completing the work of the contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract specifications provide for the termination of the contract by your Board if such action is in the best interest of the County.

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IMPACT ON CURRENT SERVICES

The recommended action will not have a significant impact on residents or motorists.

CONCLUSION

Please return one approved copy of this letter to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

SMA:rb

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cc: Chief Administrative Office
County Counsel
Office of Affirmative Action Compliance